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0007/019 Incoming
cc: Jim
April &
Dana



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District-Price Field Office

125 South 600 West

Price, Utah 84501

Phone: (435) 636-3600 Fax: (435) 636-3657

<http://www.blm.gov/utah/st/en/fo/price.html>



UTU-85539

3420

(UTGO21)

FEB 11 2009

RECEIVED

FEB 17 2009

DIV. OF OIL, GAS & MINING

Certified Mail—Return Receipt Requested

Certificate No. 7008 0150 0002 0896 9289

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Dear Land Owners,

Re: Private Land Owners Notification

ANDALEX Resources, Inc., operator of the Aberdeen Mine complex and wholly owned subsidiary of UtahAmerican Energy, Inc. (UEI), has filed with the Bureau of Land Management (BLM) an application to lease (LBA) Federal coal lands adjacent to its existing federal leases. This LBA will consist of 4,964 acres of federal coal lands with both BLM and private surface estates. This tract of land, known as the Dry Canyon Tract, (UTU-85539), is located along the western, northern and southern boundaries of the existing leases (see attached maps) and has the following legal description:

T. 12 S., R. 10 E., SLM

Section 25: N1/2

Section 26: N1/2

Section 27: N1/2

Section 28: S1/2, NE1/4, E1/2 NW1/4, SW1/4NW1/4

Section 29: E1/2SE1/4

Section 32: All

Section 33: All

T. 13 S., R. 10 E., SLM

Section 3: All; Lots 1-4 (N1/2N1/2), S1/2N1/2, S1/2

Section 4: Lots 1-4 (N1/2N1/2), S1/2N1/2, N1/2S1/2

Section 8: Lot 4 (NW1/4NW1/4)

Section 10: N1/2, W1/2SW1/4

Section 11: N1/2, SE1/4

Containing 4,964.29 acres, more or less, Carbon County.

You are the surface owner of record of a portion of the lands described above. The purpose of this letter is to notify you that the BLM intends to lease these Federal coal lands for underground coal mining beneath your private surface.

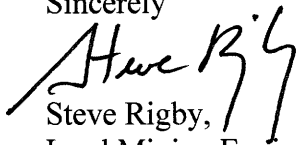
The purpose of this application is to add significant reserves to the existing leases which will both increase the life of the Aberdeen Mine while supporting the fulfillment of existing coal contracts. With this acreage, mining crews could proceed beyond the current boundary and thus avoid a bypass of Federal coal. The BLM has determined that the application meets the requirements of an LBA in that there is or could be competitive interest in the lands and that the coal can be developed from another operation (which, in this case would necessitate a brand new surface facility). The coal rights under these applied for lands are under the United States and are open to leasing as per the current Federal Resource Management Plan. The surface rights are mostly held by BLM, however private ownership exists as well on the four parcels listed below:

Mary Frandsen Trust
Mathis Land Company
Blackhawk Coal Company
Scott W. Mathis

It is the intent of the BLM to lease this coal by what is known as the Determination of NEPA Adequacy (DNA) process with the same terms, conditions and stipulations of the existing leases. This area was under Federal lease several years ago and numerous environmental analyses under the National Environmental Policy Act (NEPA) have been written for past and present leasing proposals. We have reviewed the adequacy of these documents and find that this action will not impact the surface environment in any way that was not addressed in the previous environmental analysis. If mined by the proponent, there will be no new surface facilities or development and only underground coal mining activities are proposed for this area. We also find that little if any surface subsidence affects will occur from underground mining of this area as full extraction mining on these acres owned by you will primarily be under very deep overburden. Impacts to the surface environment were analyzed in the previous environmental documents and current monitoring of subsidence above the Aberdeen Mine has detected no significant affects. If you wish to see a copy of a Documentation of Land Use Plan Conformance, it is available for your review at this office during normal business hours.

For further information or questions, please contact Mike Glasson (435-636-3612) or myself at the Price BLM Field Office (435-636-3604).

Sincerely


Steve Rigby,
Lead Mining Engineer

cc: Office of Surface Mining
Utah Division of Oil Gas & Mining

